

Growth Management Committee

**Tuesday, February 7, 2006
1:15 PM – 3:15 PM
212 Knott Building**



Florida House of Representatives

Growth Management Committee

Allan Bense
Speaker

Randy Johnson
Chair

AGENDA

GROWTH MANAGEMENT COMMITTEE

Tuesday, February 7, 2006

1:15 PM – 3:15 PM

212 Knott Building

- I. Meeting Called to Order**
- II. Opening Remarks by Chairman**
- III. Consideration of the following bill(s):**
 - HB 351 CS by Rep. Lopez Cantera – Community Residential Homes**
- IV. Presentations:**
 - Historic Perspective – Mark Hendrickson**
The Hendrickson Company
 - Current Programs – Wellington Meffert, General Counsel**
Florida Housing Finance Corporation
 - Development – Lloyd Boggio, CEO**
Carlisle Development Group
 - Redevelopment – Floyd T. Johnson**
The Florida Redevelopment Association
 - Local/Public Providers – Corey G. Matthews, Executive Director**
Florida Association of Housing and Redevelopment Officials
 - Financing – Guy Marvin, III, President**
Florida Insurance Council
 - Enterprise Florida – Chris Hart, Senior Vice President**
External Affairs and Investor Relations, Enterprise Florida
- V. Meeting Adjourned**

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 351 CS Community Residential Homes
SPONSOR(S): Lopez-Cantera
TIED BILLS: None. **IDEN./SIM. BILLS:** SB 1006

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Future of Florida's Families Committee</u>	<u>6 Y, 2 N, w/CS</u>	<u>Davis</u>	<u>Collins</u>
2) <u>Elder & Long-Term Care Committee</u>	<u>6 Y, 0 N</u>	<u>DePalma</u>	<u>Walsh</u>
3) <u>Growth Management Committee</u>		<u>Strickland</u> <i>WS</i>	<u>Grayson</u> <i>AD</i>
4) <u>Health & Families Council</u>			
5) _____			

SUMMARY ANALYSIS

House Bill 351 amends existing statutory provisions relating to community residential homes. Specifically, the bill amends the definition of "community residential home," formerly defined as a dwelling unit licensed to serve clients of the Department of Children and Family Services, to now include dwelling units to serve residents who are clients of the Department of Elderly Affairs, the Agency for Persons with Disabilities, the Department of Juvenile Justice, or a dwelling unit licensed by the Agency for Health Care Administration.

The bill also amends the statutory provision relative to community residential homes with six or fewer residents. This change requires that, prior to occupancy, the sponsoring agency must provide the local government with the most recently published data compiled that identifies all community residential homes in the district in which the proposed site is to be located in order to show that no other community residential home is within a radius of 1,000 feet of the proposed home with six or fewer residents. Currently, community residential homes with seven to fourteen residents must provide this information but not Community Residential Homes with six or fewer residents. The bill also requires that at the time of home occupancy, the sponsoring agency or the licensing entity must notify the local government that the home is licensed by the department.

One potential constitutional concern is whether or not discrimination may be claimed by persons with developmental disabilities and other protected classes of persons. See CONSTITUTIONAL ISSUES section of the analysis for complete analysis of case law, the American with Disabilities Act (ADA), and the Fair Housing Act.

The bill does not appear to have a fiscal impact on state or local governments.

The effective date of this bill is July 1, 2006.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government: This bill increases the notification responsibility of the sponsoring agency of a community residential home and of four governmental entities.

Promote personal responsibility: This bill requires the sponsoring agency to provide the most recently compiled data to the local government for a community residential home with six or fewer residents. To the extent that the required provision of data by a sponsor of a community residential home to a local government potentially makes the siting of a home more difficult or limits availability of such homes, there could be an effect on choices and alternatives for residents of community residential homes.

B. EFFECT OF PROPOSED CHANGES:

Effect of Proposed Changes

This bill amends ch. 419, F.S., relating to community residential homes.

Definition of “community residential homes”: Specifically, the bill expands the definition of “community residential home” to include dwelling units that serve clients of the Department of Elderly Affairs (DEA), the Agency for Persons with Disabilities (APD), the Department of Juvenile Justice (DJJ), or a dwelling unit licensed by the Agency for Health Care Administration (AHCA). Formerly, the definition only included licensed dwelling units serving clients of the Department of Children and Family Services (DCFS).

Required notification: The bill also amends existing law to add to the required local government notification provisions applicable to an agency sponsoring a community residential home of six or fewer residents. The bill requires that, prior to occupancy, the sponsoring agency provide certain data to the local government where the community residential home is proposed to be located. The required data is the most recently published data compiled that identifies all community residential homes in the district in which the proposed site is located. This data is supplied in order to show that no other community residential home with six or fewer residents is within a radius of 1,000 feet of the proposed home. The purpose of this change is to eliminate the clustering of community residential homes with six or fewer residents within a community.

Previously, notification to the local government was bifurcated between the sponsoring agency and the department (DCFS). The bill now requires that the sponsoring agency provide local government with “the most recently published data compiled that identifies all community residential homes in the district in which the proposed site is to be located.” Additionally, either the sponsoring agency or the licensing entity must notify the local government that the home is licensed.

Background

Historically, living placement options for the physically disabled, handicapped, developmentally disabled, mentally ill, and children were primarily state institutions or nursing homes. However, that began to change in Florida in the 1980s as the Florida Legislature began to develop a policy of community integration as an effective treatment method for those in need. The history of community integration has not always been an easy transition, but great strides have been made in combating discriminatory policies against the mentally ill, elderly, handicapped and children in need. These changes can largely be attributed to the development of federal law that focused on protecting these protected classes of individuals.

In 1989, House Bill 1269 (chapter 89-372, L.O.F) established the framework for what is currently section 419.001, Florida Statutes. One of the purposes was to prevent or reduce inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care. The goal was simply to follow a deinstitutionalization model for placement of persons with special needs in the least restrictive setting and for the encouragement of placement of such individuals in community residential facilities. The state has a significant interest in the development of community residential homes because of the service they provide. These homes provide a living environment for many different types of people. They include children who may be dependent and are placed in licensed child care settings. Some group homes may serve the developmentally disabled in a licensed residential facility; while other group homes provide a living environment for the elderly in an adult congregate living facility. All of these services and many more that may be offered provide a service that is needed in some capacity in Florida.

Currently, section 419.001, Florida Statutes, requires the local government to approve the location of certain residential homes which provide for a living environment for seven to fourteen unrelated residents. When a site for a community residential home has been selected by a sponsoring agency in an area zoned for multifamily use, the agency shall notify the Chief Executive Officer of the local government in writing. The local government then has up to 60 days to respond and if no response is given within 60 days, the sponsoring agency may establish the home at the site in question. Currently, homes with six or fewer residents shall be deemed a single family unit without approval by the local government, provided that the home does not exist in a 1,000 foot radius of another six or fewer resident home.

In January of 2004, the DCFS reported that over 5,000 individuals with Developmental Disabilities lived in foster care facilities and group home facilities licensed by DCF and operated by private providers. There are approximately 1,000 licensed facilities which serve as alternatives to institutional care, enabling individuals to live in a family-like setting in the community where necessary supports are available.

Section 419.001(1)(d), Florida Statutes, defines a "resident" as a:

- "Frail elder" pursuant to section 400.618, Florida Statutes, which includes a functionally impaired person who is over the age of 60 who has physical and mental limitations that restricts the ability of that person to live independently and perform normal activities of daily living.
- "Physically disabled or handicapped person" pursuant to section 760.22(7)(a), Florida Statutes, which includes a person that has a physical or mental impairment which substantially limits one or more major life activities, or he or she has a record of having, or is regarded as having, such physical or mental impairment.
- "Developmentally disabled person" pursuant to section 393.063, Florida Statutes, which includes a person with a disorder or syndrome that is attributable to retardation, cerebral palsy, autism, spina bifida, or Prader-Willi syndrome and that constitutes a substantial handicap that can reasonably be expected to continue indefinitely.
- Nondangerous "mentally ill person" pursuant to section 394.455(18), Florida Statutes, which includes an impairment of the mental or emotional processes that exercise conscious control of one's actions or of the ability to perceive or understand reality, which impairment substantially interferes with a person's ability to meet the ordinary demands of living, regardless of etiology. For the purposes of this part, the term does not include retardation or developmental disability as defined in chapter 393, intoxication, or conditions manifested only by antisocial behavior or substance abuse impairment.

- “Child” who is found to be dependent by the court pursuant to section 39.01(14), Florida Statutes, and a “child” in need of services pursuant to subsection 984.03(9) and 985.03(8), Florida Statutes.

Section 393.062, Florida Statutes, provides in part:

“....The Legislature declares that the goal of this act, to improve the quality of life of all developmentally disabled persons by the development and implementation of community-based residential placements, services, and treatment, cannot be met without ensuring the availability of community residential opportunities for developmentally disabled persons in the residential areas of this state. The Legislature, therefore, declares that all persons with developmental disabilities who live in licensed community homes shall have a family living environment comparable to other Floridians. The Legislature intends that such residences shall be considered and treated as a functional equivalent of a family unit and not as an institution, business, or boarding home.”

C. SECTION DIRECTORY:

Section 1: Amends s. 419.001(1) and (2), F. S., regarding site selection of community residential homes.

Section 2: Provides an effective date of July 1, 2006.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill could potentially restrict the ability of private organizations to provide cost-effective residential homes to certain residents because of the added requirement to furnish data to the local government prior to occupancy.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. The bill does not reduce the percentage of a state tax shared with counties or municipalities. The bill does not reduce the authority that municipalities have to raise revenue.

2. Other:

One potential constitutional concern is whether or not discrimination may be claimed by persons with developmental disabilities and other defined protected classes.

In *Dornbach v. Holley*, 854 So.2d 211, (Fla 2d DCA 2002), owners of residential real property in a subdivision brought action in the lower court seeking injunctive relief, alleging that proposed use of subdivision property as a group home for four to six developmentally disabled adults violated subdivision's restrictive covenants. The lower court entered an order granting a permanent injunction. The owners of the property to be used as a group home appealed. The court held that enforcing deed restriction against a group home was impermissibly discriminatory. In finding this ruling the court discussed the argument that the enforcement of a restrictive covenant is contrary to the United States Fair Housing Act of 1988 (FHAA). This act added handicapped persons to those protected from discrimination in buying and renting facilities.

The Florida Legislature essentially codified the Federal Act when it enacted the Florida Fair Housing Act in sections 760.20 - 760.37, F.S. Section 760.23(7)(b), F.S., provides that, "It is unlawful to discriminate in the sale or rental of, or to otherwise make unavailable or deny, a dwelling to any buyer or renter because of a handicap of a person residing in or intending to reside in that dwelling after it is sold, rented, or made available." The statute states further that discrimination is also defined as to include a refusal to make reasonable accommodations in rules, policies, practices, or services, when such accommodations may be necessary to afford such person equal opportunity to use and enjoy a dwelling.

In considering the application of the Florida Fair Housing Act, the federal courts have determined that one may be guilty of discrimination in any one of three ways. First, the Act prohibits intentional discriminatory conduct towards a handicapped person. See *Martin v. Constance*, 843 F.Supp. 1321 (E.D.Mo.1994). Second, the Act prohibits incidental discrimination, that is, an act that results in making property unavailable to a handicapped person. *Id.* Third, the Act prohibits an act that fails to make a reasonable accommodation that would allow a handicapped person the enjoyment of the chosen residence. See *Advocacy Ctr. for Persons with Disabilities, Inc. v. Woodlands Estates Ass'n*, 192 F.Supp.2d 1344 (M.D.Fla.2002). The Court was persuaded that, given the similarity of language and purpose in the federal and the Florida legislation, this three-pronged approach applies equally to the Florida Fair Housing Act. The record in *Dornbach* does show that by enforcing the restriction in question, incidental discrimination results since the residence is made unavailable for the handicapped. See *Rhodes v. Palmetto Pathway Homes, Inc.*, 303 S.C. 308, 400 S.E.2d 484 (1991). Finally, public policy as stated in section 419.001(2) and in section 393.062, Florida Statutes (2000), supports the premise that the group home in *Dornbach* is the functional equivalent of a single-family residential unit and as such does not pose any threat to the purpose justifying the deed restrictions at issue. Thus, to refuse to waive these restrictions is to refuse to offer a reasonable accommodation, which also amounts to discrimination as defined by statute. See *Advocacy Ctr.*, 192 F.Supp.2d 1344.

In July 1999, the U.S. Supreme Court challenged federal, state, and local governments to develop more opportunities for individuals with disabilities through accessible systems of cost-effective community-based services. *Olmstead v. L. C.*, 527 U.S. 581 (1999). The *Olmstead* decision interpreted Title II of the Americans with Disabilities Act (ADA) and its implementing regulation, requiring states to

administer their services, programs, and activities "in the most integrated setting appropriate to the needs of qualified individuals with disabilities." The ADA and the *Olmstead* decision apply to all qualified individuals with disabilities regardless of age.

B. RULE-MAKING AUTHORITY:

The bill does not provide any additional rulemaking authority to the identified departments and agencies; however, the entities have sufficient rulemaking authority in existing law to carry out its current licensing functions.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Drafting Issues

1. Deletion of "department" definition. The bill deletes the definition of "department" which in existing law is defined to mean the DCFS. The bill also refers to four other governmental entities that may license community residential homes. However, since the bill retains the term "department" there may be confusion over which governmental entity or entities that term is meant to reference. The term "department" could be replaced with "licensing entity" or "licensing entities" as may be applicable throughout the statutory chapter.
2. The bill retains the term "district administrator" and a reference to "district." Both of these terms had application to the DCFS, but may not appropriately apply to all the governmental entities now identified in the bill. Therefore, retention of those terms may provide confusion. These terms could be replaced with references to "licensing entity," "licensing entities," or "some reference to the boundary of the local government within which the proposed community residential home would be located, as may be appropriate.
3. The bill retains a requirement that a statement of the need for the community residential home be supplied by the licensing entity. It does not appear that all of the governmental entities now identified in the bill conduct a needs assessment, so this provision may not apply to those entities. The requirement could be deleted.
4. Chapter 419, Florida Statutes, requires the DCFS to license community residential homes. Staff research has revealed that several other state agencies are involved in the licensing of community residential-type facilities, including the APD, the DJJ, the DEA, and the AHCA. Since there is not one central licensing agency, there is the potential that residential group homes could be located next to each other in the same community without the knowledge of the other licensing agency. This bill, as previously amended, will potentially help avoid this problem by placing with the sponsoring agency the responsibility to provide the most recently published data compiled showing that no other community residential home of six or fewer residents is located within 1,000 feet of the proposed home.

Other Comments

Several agencies provided comments to the first Committee of reference.

APD expressed the following concerns:

Area APD staff currently provide local governments with updated information regarding the number and location of APD-licensed homes. Local government uses this information in determining whether or not prospective providers applying for initial licensure as a community residential home comply with the distance requirements delineated with Chapter 419. Local government is the logical repository for such licensure information since multiple state agencies have the authority to license community residential homes and do not currently have access to each of those licensure databases.

Using the existing definition of “sponsoring agency”, agencies which are seeking licensure (through APD) to render residential services to persons with developmental disabilities would not possess the “most recently published data which identifies existing community residential homes”. Therefore, in order to comply with the mandatory reporting requirements contained within the proposed bill, prospective residential providers would have to contact each of the various state agencies authorized to license community residential homes in order to obtain the most recent data regarding the locations of those homes. This requirement could create a hardship for these individual providers and delay the licensure process. Since licensure databases change on a routine basis (as new community residential homes are licensed) such delays could potentially result in local governments making decisions based upon outdated licensure information.

DCFS expressed the following concerns:

This change will allow local governments to prohibit the development of community residential homes of six or fewer beds within 1,000 feet of other community residential homes. This restriction is likely to make it more difficult for contracted providers to develop community residential homes. This is due to site restrictions which impact lease/purchase costs. Although the 1,000 foot space between homes is not a new requirement, the compilation of data verifying the absence or presence of other community residential homes prior to occupancy is a new requirement.

The proposed language may contain a technical deficiency in the use of the term “district”, as this term may not be used by other agencies. If passed, this bill will require sponsors of community residential homes to provide local government with the most recently published data compiled that identifies all community residential homes in the district in which the proposed site is to be located in order to show that no other community residential home is within a radius of 1,000 feet of the proposed home with six or fewer residents.

AHCA expressed the following concerns:

The bill deletes the definition of “department” which was formerly defined as the DCFS, however, “department” is still used in other sections of the chapter. This may create uncertainty as to which state agency is intended to be referenced. As an example, s. 419.001(3)(a), F.S., requires that for homes between seven and fourteen beds, “a statement from the district administrator of the department indicating the need for and the licensing status of the proposed community residential home.” Currently this refers to DCF “district administrators,” however; with no definition of department it is unclear which state agency would provide this notice. AHCA does not currently determine “need” for Assisted Living Facilities, Adult Family Care Homes, Intermediate Care Facilities, nor Residential Treatment Facilities and does not have district administrators. The proposed language in the original bill may establish a requirement that cannot be fulfilled and may eliminate the new establishment of these providers in multi-family areas if they have between seven and fourteen beds.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

On January 11, 2006, the Future of Florida’s Families Committee adopted a Committee Substitute. The Committee Substitute changed the notification requirement for sponsoring agencies at the time of home occupancy to state that the sponsoring agency or the licensing entity rather than the DCFS must notify the local government that the home is licensed by the department. The need for this change stems from the fact that more than one state agency licenses community residential homes, so to single out DCFS inaccurately reflects the current licensing situation.

Florida's Housing Policy 1980:

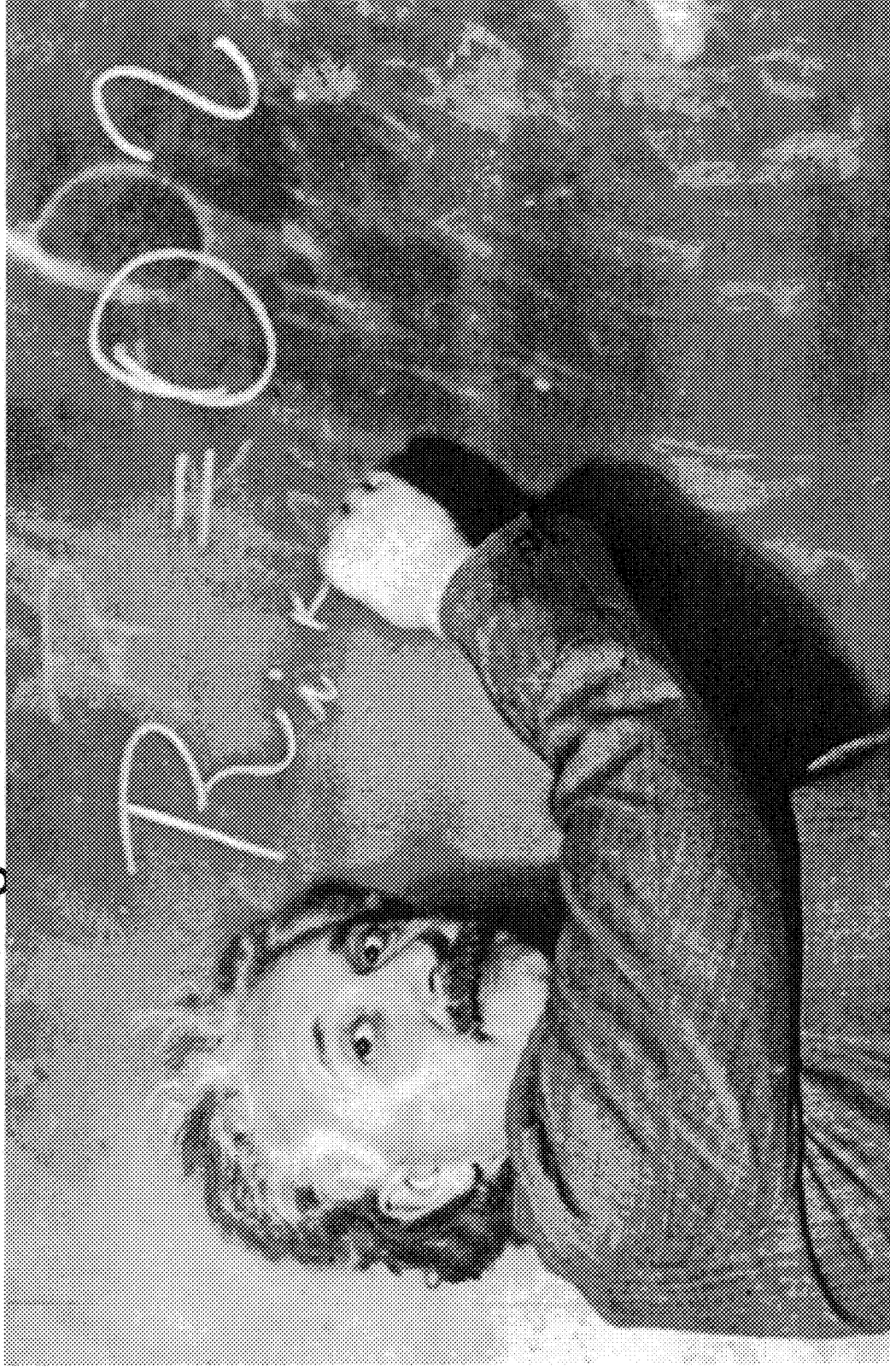
Thank God for Mississippi or
We Would Be 50th

The Sadowski Act Plan:

Housing Costs Increase →

Doc Stamp Revenue Increase →

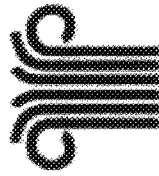
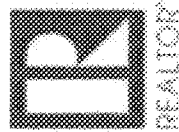
Housing Trust Funds Increase



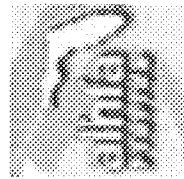
Sadowski Act- 1992

- Increased Doc Stamp by 10 cents per \$100, with legislative and industry group support conditioned upon use of this tax increase for housing
- Transferred another 10 cents to housing beginning in 1995 (earlier doc stamp increase that was “for” housing without being legally dedicated)
- Passed with bipartisan support, overwhelming majority of both Republicans and Democrats voting for bill
- Split 70% to Local, 30% to State
- Recognized need for both rental and homeownership programs, with state taking lead on rental, locals on homeownership

Sadowski/Workforce Housing Coalition Today

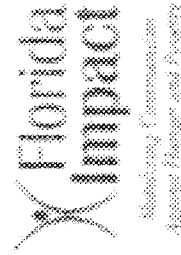


FLORIDA BANKERS ASSOCIATION

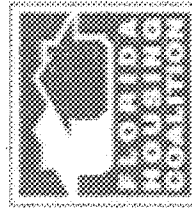


United Way

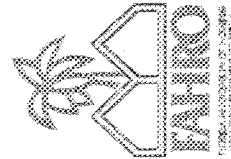
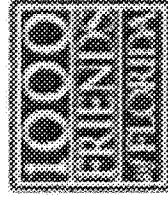
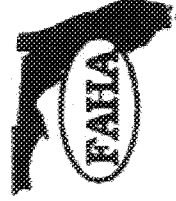
Florida Legal
Services, Inc.



Building Communities
Against Hunger and Poverty



Florida Catholic
Conference

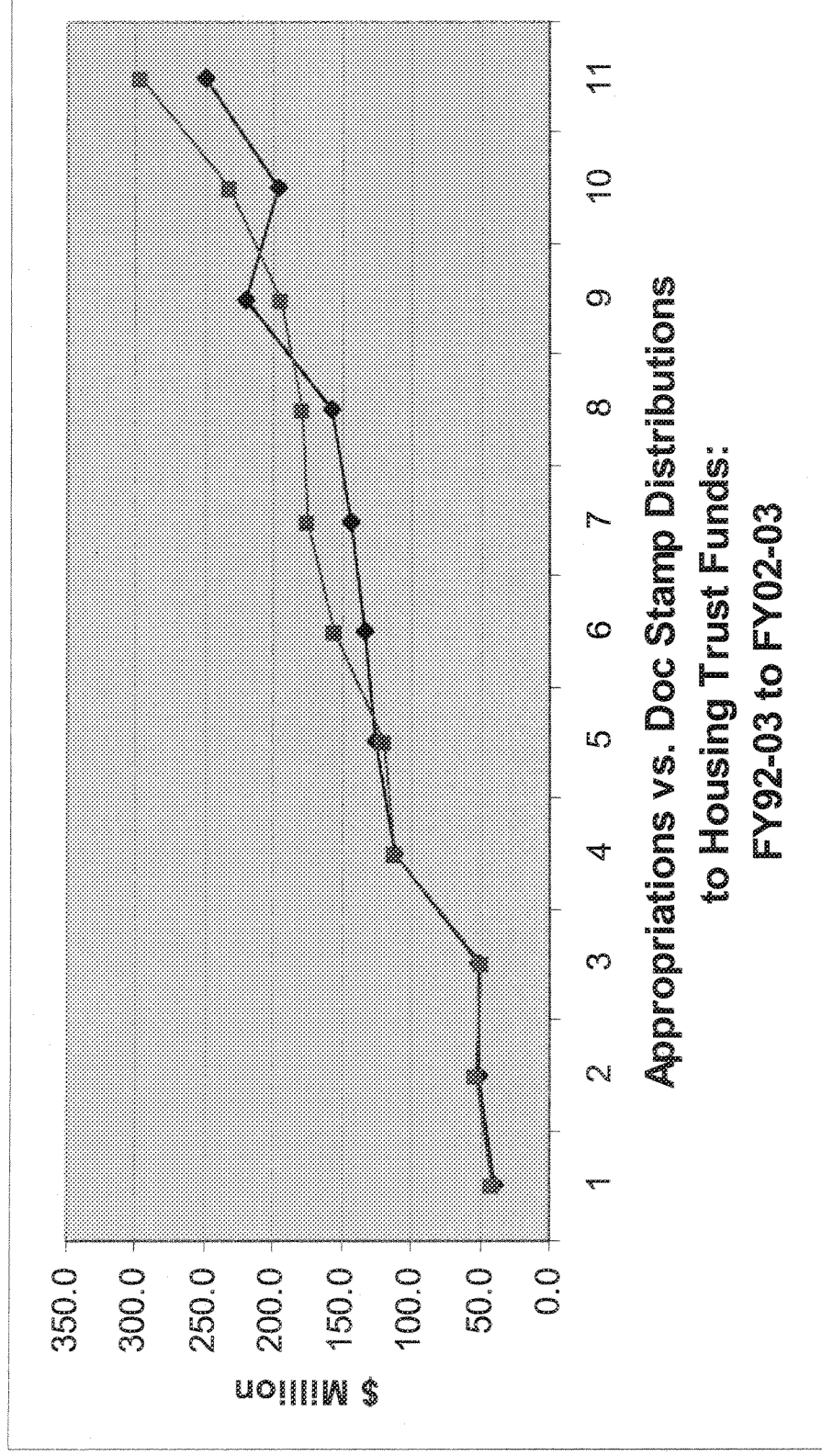


FLORIDA
ASSOCIATION OF
COUNTIES

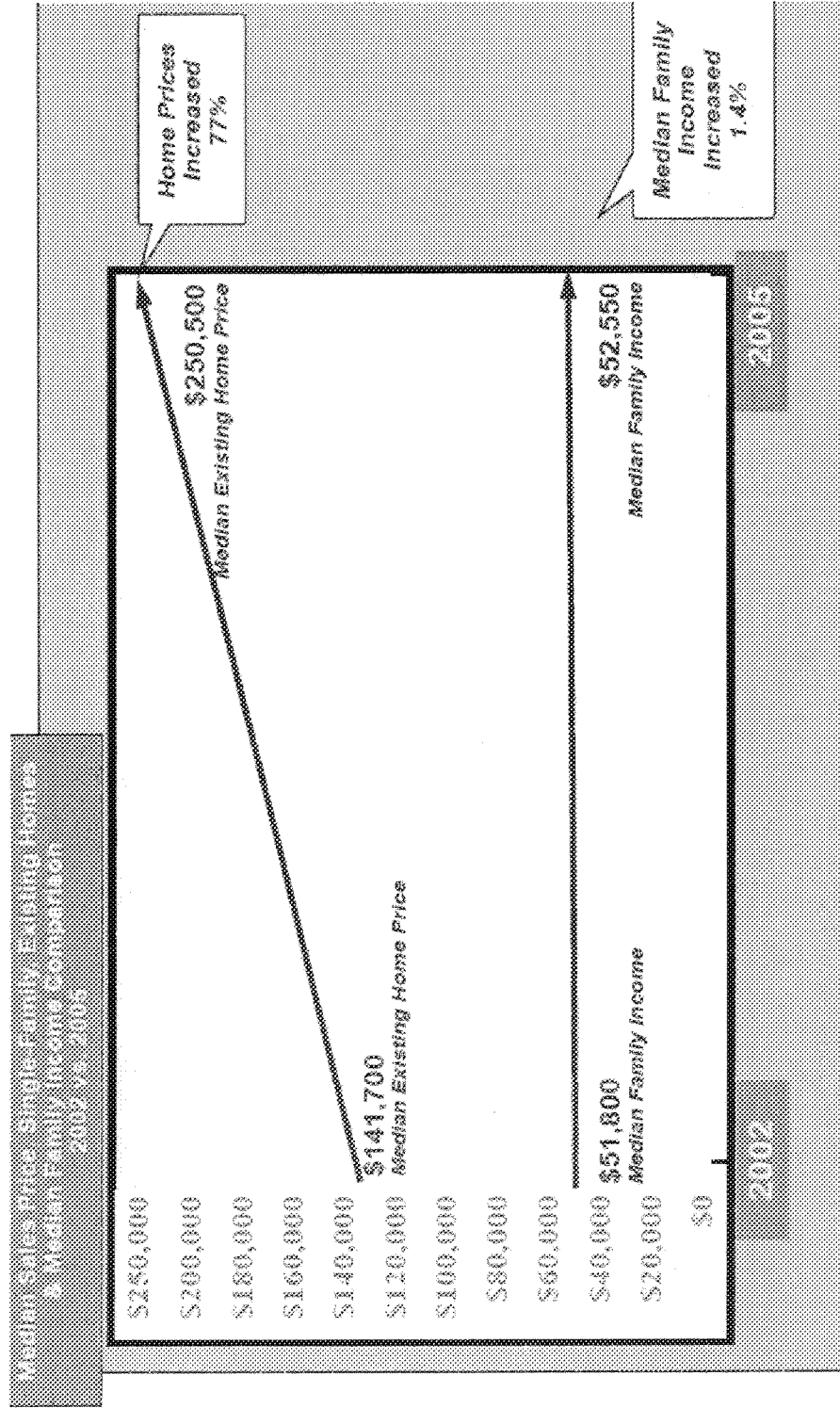


FLORIDA LEAGUE OF CITIES, INC.

Full Funding: FY92-93 through FY02-03



2002-2005 Housing Costs Explode Massive Increase in Subsidy Need



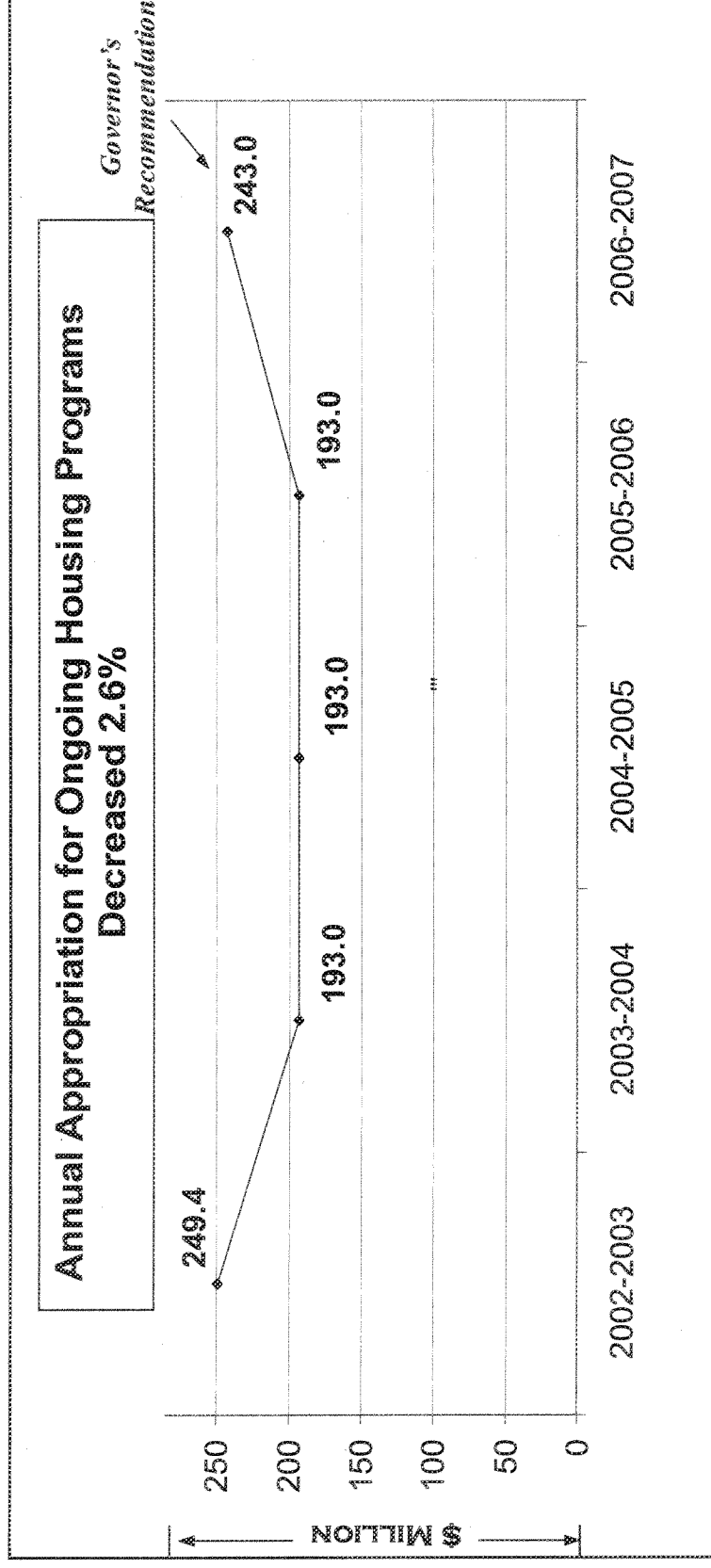
* HUD 2002-2005 Median Family Incomes for Florida
* Median Existing Home Prices from the Florida Association of Realtors

FY02-03 to FY05-06

Housing Trust Fund Revenues Up

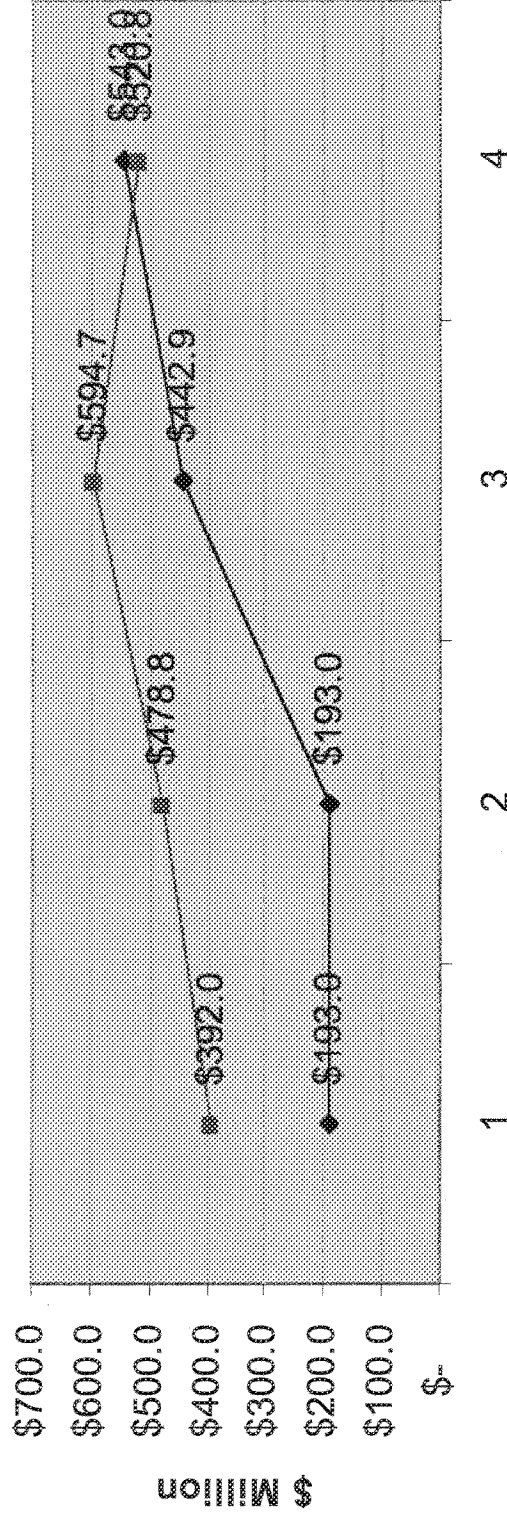
Appropriations for Ongoing Programs Down

Programs Down



FY05-06 and FY06-07: Hurricane Need Drives Funding Up

Recent Total Housing Appropriations & Governor's FY06-07
Recommendations Including Hurricanes vs. Doc Stamp
Distributions To Housing Trust Funds



FY03-04 to FY06-07

FY06-07 and Beyond: Needs Increase and Broaden

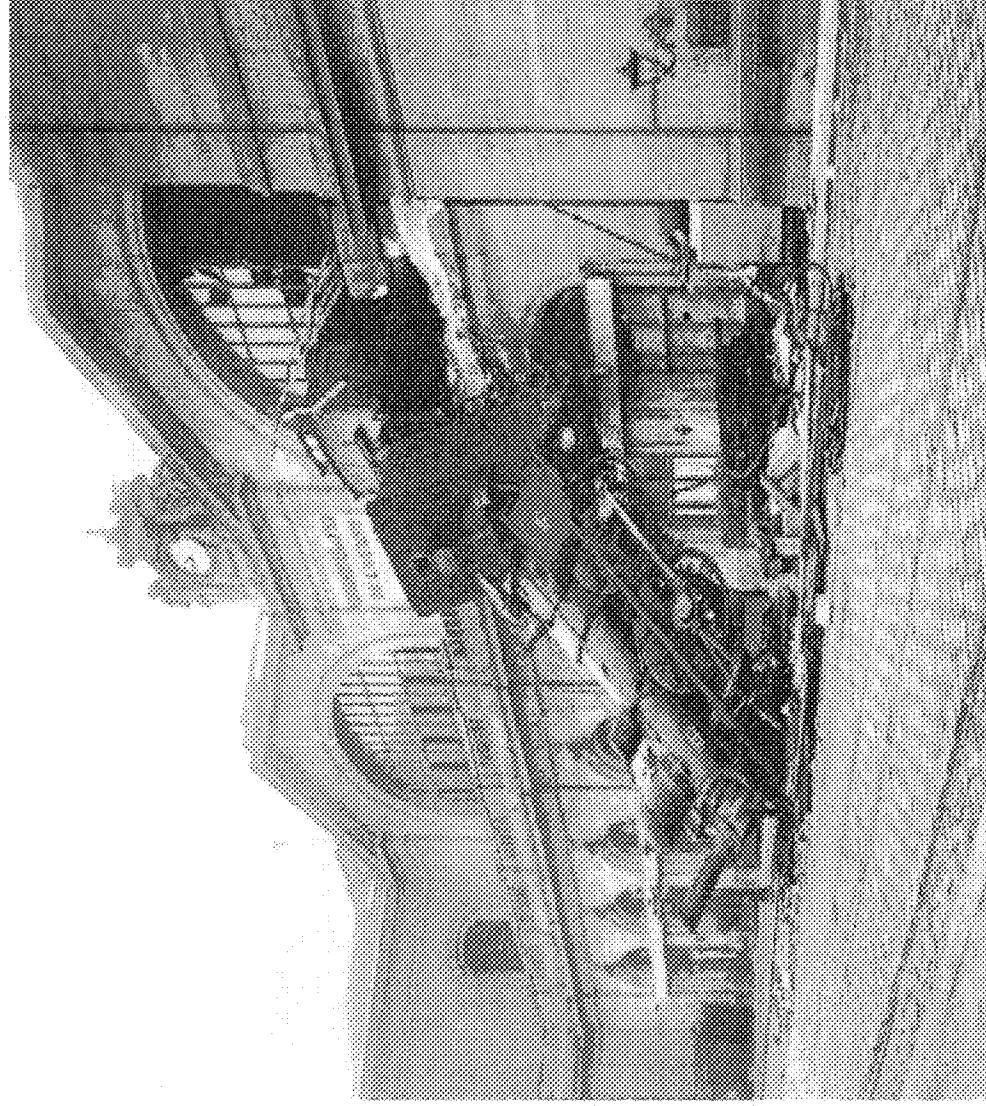
- Ongoing Successful Programs- SAIL, HAP and SHIP
- Hurricanes
- Workforce Housing
- Extremely Low Income
- Total Needs Well Over \$500 million per year
- Housing Trust Funds Barely Meet Needs

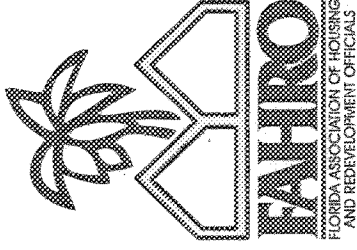
FY07-08: Housing Trust Funds Capped at \$243 Million Per Year

- Projected Doc Stamps to Housing Trust Funds over \$500 million without cap
- Need: Over \$500 million
- Cap: \$243 million
- The result ---> ---> ---> ---> --->

FY07-08

CAP = TRAIN WRECK





Creating Community Workforce Housing Administrators

**Florida Association of Housing and
Redevelopment Officials**

**Corey G. Mathews, CAE
Executive Director**

**Richard Pinsky
Governmental Consultant**

Who We Are...

- Public Housing Authorities (PHAs) are public corporations, created by the Florida Legislature in 1937 to provide decent, safe, and sanitary subsidized housing in their local communities.
- There are currently 115 PHAs in Florida, serving cities, counties, and regions throughout the state.

What We Do...

- U.S. Department of Housing & Urban Development (HUD) contracts with PHAs to manage the federal inventory of subsidized housing properties and housing choice vouchers in their area.
- Additionally, PHAs pursue federal and state funding to develop or redevelop single and multi-family housing in furtherance of their public mission.

The Challenge...

- If the Legislature is contemplating utilization and maintenance of public lands for affordable housing development, it is important that the projects do not fail due to poor management.
- Additionally, local management and control enables these developments to be customized for local needs.

The Challenge...

- The Florida Housing Finance Corporation is responsible for grant administration, not property management.
- School Boards, Cities, Counties, and other potential partners will not want to become affordable housing property managers.

What We Propose...

- Public projects require public management
 - When public lands are being transferred to private ownership, or private lands are utilizing public funding for the purposes of affordable housing, these programs can adequately be managed through our existing grant processes.
 - However, programs involving public funding and public land require management by non-profit or public entities to ensure the preservation of long-term affordability.

What We Propose...

- Program management should be by qualified non-profit or public entities
 - Not all non-profit or public organizations are equal.
 - To maximize the effectiveness of program management, a system of specific criterion must be developed to ensure that sufficient training, qualifications, and experience is possessed by the non-profit/public organizations charged with project administration.

What We Propose...

- The Legislature should designate an appropriate entity to develop qualifications for organizations to be “Community Workforce Housing Administrators”
 - Potential areas for the development of Community Workforce Housing Administrator criteria include:
 - Accounting & Auditing Standards
 - Financial Stability
 - Size of Staff
 - Experience/Expertise of Staff
 - Program Management Experience
 - Resident Services Experience
 - Method of Board Selection
 - Board Experience/Qualifications

The Role of PHAs...

- PHAs currently provide these exact services to HUD through the administration and management of federal programs.
- The criteria to be established by the designated entity will ensure that only those PHAs with adequate qualifications will be eligible.
- The public purpose of PHAs will preserve the long-term affordability of these projects.



Questions?

Homeowners Insurance at Any Cost A Challenge Right Now

Guy Marvin, III - President, Florida Insurance Council

**House Growth Management Committee
Workshop on Affordable House
February 7, 2006**

Homeowners Insurance at Any Cost A Challenge Right Now

Eight Hurricanes
Four Tropical Storms
In Two Years

Homeowners Insurance at Any Cost A Challenge Right Now

\$30 Billion in Insured Losses

2.8 Million Claims

**FIC: Industry Paid Out \$63 Million a Day
During 2004 and 2005 Hurricane Seasons**

Homeowners Insurance at Any Cost A Challenge Right Now

Katrina and Rita Brushed Florida,
But Counting Those
During the Last Two Years,
Six of the 10 Most Expensive Catastrophes
In World History

Homeowners Insurance at Any Cost A Challenge Right Now

- I. Cost drivers for insurance premiums
(regulated on a state by state level)
 - a. Claims experience (weather/natural disasters)
 - b. Increasing reinsurance/capital costs
 - c. Increasing property values
 - d. Increasing building/repair costs
 - e. Increasing regulatory/legislative costs (SB 1486)

Homeowners Insurance at Any Cost A Challenge Right Now

II. Availability of Coverage/ Market Capacity

- a. Probable Maximum Loss (PML)
- b. Most companies are at PML
(some have had to cut back to be there)
- c. Cost of Capital/Certainty of Regulation

Homeowners Insurance at Any Cost A Challenge Right Now

III. Insurer of Last Resort/ Citizens Property Insurance Company

- a. Where do these properties end up?
- b. If in Citizens mandated to be 20% above
voluntary market.
- c. Citizens is running a deficit.

Homeowners Insurance at Any Cost A Challenge Right Now

- d. All Florida home owners will pay an assessment to make up that deficit.
- e. Should a case be made that these affordable housing projects should be exempt from these assessments? I think not since I believe in a free market economy as I am sure the Committee does as well.

Homeowners Insurance at Any Cost A Challenge Right Now

If you are going to build, build to resist hurricanes. It will lower your premium and increase your survivability.

Homeowners Insurance at Any Cost A Challenge Right Now

Guy Marvin, III - President, Florida Insurance Council

